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From/By: Robert Allen Sevio

Title: Market share forecasting for businesses selling products or services to other businesses (non-consumer markets)

Inventor: Robert Allen Sevio (Cary, North Carolina, United States of America)

<div align="center">References Cited</div>

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Attorney, Agent or Firm: Self-represented

<div align="center">Supporting Computer Programs on CD</div>

1. Word document file containing this specification: "Specification - Market share forecasting", dated 11/03/03
2. This specification, working on an Excel spreadsheet file: "Example - Market share forecasting", dated 11/03/03

<div align="center">Background</div>

Increasing competition, shorter product life cycles, and frequent business failures underscore that businesses must do a better job of forecasting market share. This method is intended to address this problem, in business-to-business markets.

This method for providing market share predictions and pricing guidance has been developed by analyzing the performance of companies in business-to-business markets (non-consumer markets). It has also been developed by modeling thousands of hypothetical business-to-business markets. It has been matured over a period of several years by Robert Allen Sevio, whose experience is briefly discussed below.

The inventor of this method, Robert Allen Sevio, currently assists companies by:

Validating and Ranking Market Opportunities
Developing and Implementing Marketing Plans

For most of the past 17 years, Robert Allen Sevio has consulted for companies to help them identify and address market opportunities. Some current and past clients include: a provider of network integration services, a provider of safety certification services, a provider of mainframe management software, and a provider of industrial power, heating, and air conditioning systems.

Robert Allen Sevio's other professional experience includes:

Manager of Marketing Research and Business Planning for Nortel (formerly Northern Telecom)
Director of Marketing Services for ITT's Business and Consumer Communications Division

Robert Allen Sevio is a graduate of the Rochester Institute of Technology, School of Business, 1966.

Brief Summary of Invention

A computer-implemented method by which a business, selling a product/service to a business (non-consumer) market, can, forecast market share for itself and its competitors, and also forecast a pricing ratio, versus its leading competitor, needed to achieve its market share.

Claims

What I claim as new and desire to secure by Letters Patent is as follows:

1. A computer-implemented forecasting method by which a business (hereinafter referred to as, the forecasting business) that is selling a product/service to a business (non-consumer) market, can, (1) forecast its market share, as a percent of the total units of currency to be captured in the market, (2) forecast its market share, in units of currency, (3) forecast a product/service pricing ratio, versus its leading competitor, that will be necessary for the forecasting business to use in order to attain its forecasted market share, (4) forecast its leading competitor's market share, as a percent of the total units of currency to be captured in the market, and, (5) forecast the combined market share of all of its other competitors, as a percent of the total units of currency to be captured in the market, said method comprising the steps of:

(a) inputting the forecast period (the time period for which the business (non-consumer) market is being evaluated by the forecasting business (for example, years 2004 through 2008)

(b) inputting an estimate of market size: the size of the business (non-consumer) market, in total units of currency (for example, U.S. dollars) to be captured by all competitors combined, over the forecast period (as defined per (a) immediately above)

(c) for the forecasting business and its leading competitor respectively, inputting ratings, ranging from 1 to 100, as per the Respective Rating Guidelines below, of the following 6 market resources as they are available to capture (sell to) the business (non-consumer) market, with each of the 6 market resources having an importance weight, as a portion of 1.0000, as shown below

Market Resources to be Rated (for the forecasting business and its leading competitor respectively):

Market Resource (1.) Funds Committed/Available, (importance weight: .9900)

Respective Rating Guidelines for Market Resource (1.):

A rating, ranging from 1 to 100%, must be provided for funds committed/available, at the current time, to capture market share in the particular business (non-consumer) market.

When Rating Funds Committed/Available:

Ratings must be increased for funds that business partners have committed, for example, for funds that you estimate suppliers or distributor channels currently have made available, specifically to help the respective division to serve the market.

Ratings must be decreased for funds that are currently available, but that will need to be spent to get the respective product/service ready to sell (specifically for the cost of product/service research and development, facilities, training, start-up/intense advertising and promotion).

Market Resource (2.) Product/Service Research & Development Personnel in Place, (importance weight: .0030)

Respective Rating Guidelines for Market Resource (2.):

A rating, ranging from 1 to 100%, must be provided for the number of product/service research and development personnel in place to capture market share in the particular business (non-consumer) market..

When Rating Research and Development Personnel in Place:

Ratings must be increased for research and development personnel that business partners have in place to serve the market.

Research and development personnel specifically include those responsible for any combination of:

Planning, researching, evaluating, selecting, defining, designing, developing, and testing the product/service, as well as for providing product/service training to internal personnel

Research and development personnel DO NOT include those that actually produce products or fulfill services.

Market Resource (3.) Production/Fulfillment Personnel in Place, (importance weight: .0020)

Respective Rating Guidelines for Market Resource (3.):

A rating, ranging from 1 to 100%, must be provided for the number of production/fulfillment personnel in place to capture market share in the particular business (non-consumer) market.

When Rating Production/Fulfillment Personnel in Place:

Ratings must be increased for production/fulfillment personnel that business partners have in place to serve the market.

Production/fulfillment personnel specifically include those responsible for:

1) Any of the following activities in regards to a providing a product (for the initial product, warranty related products/parts, after warranty products/parts, product upgrades): purchasing, manufacturing, storing, displaying, and delivery

2) Any of the following activities in regards to fulfilling a service: initial service fulfillment, warranty related service fulfillment, after warranty service fulfillment, fulfillment of service upgrades

Market Resource (4.) Marketing Personnel in Place, (importance weight: .0025)

Respective Rating Guidelines for Market Resource (4.):

A rating, ranging from 1 to 100%, must be provided for the number of marketing personnel in place to capture market share in the particular business (non-consumer) market..

When Rating Marketing Personnel in Place for Each Division:

Ratings must be increased for marketing personnel that business partners have in place to serve the market.

Marketing personnel specifically include those responsible for:

Product/service advertising, promotion, market research, market planning, etc.

Market Resource (5.) Sales Personnel in Place, (importance weight: .0015)

Respective Rating Guidelines for Market Resource (5.):

A rating, ranging from 1 to 100%, must be provided for the number of sales personnel in place to capture market share in the particular business (non-consumer) market..

When Rating Sales Personnel in Place for Each Division:
Ratings must be increased for sales personnel that business partners have in place to serve the market.

Sales personnel specifically include those responsible for:
Sales training, pre-sales support, and selling

Market Resource (6.) Support Personnel in Place, (importance weight: .0010)

Respective Rating Guidelines for Market Resource (6.):

A rating, ranging from 1 to 100%, must be provided for the number of support personnel in place to capture market share in the particular business (non-consumer) market.

When Rating Support Personnel in Place for Each Division:
Ratings must be increased support personnel that business partners have in place to serve the market.

Support personnel specifically include those that provide:
The interface between customers and company personnel that are responsible for satisfying customers' post-sale requests, for example, in-warranty and after-warranty requests

(d) calculating competitive strength, for both the forecasting business and its leading competitor, such strength ranging from 1 to 100, based on the ratings that will have been input for the 6 market resources in (c) above, and also based on importance weights, provided by this method, for the 6 market resources in (c) above

(e) for both the forecasting business and its leading competitor, inputting ratings, ranging from 1 to 100, as per the Respective Rating Guidelines below, of the following 3 market receptivity factors, with each of the 3 market receptivity factors having an importance weight, as a portion of 1.0000, as shown below.

Market Receptivity Factors to be Rated (for the forecasting business and its leading competitor respectively):

Market Receptivity Factor (1.) Confidence Level (For Stability), (importance weight: .2970)

Respective Rating Guidelines for Market Receptivity Factor (1.):

A rating, ranging from 1 to 100%, must be provided for purchasers'/decision makers' confidence in the stability (Financial, Ethical, Political) of the business to perform as expected.

Ratings should allow for confidence in the stability of business/market partners too (e.g., key suppliers, key distributors, etc.).

If purchasers'/decision makers' receptivity to a respective division's product/service is expected to be rated at LESS THAN SATISFACTORY, per Market Receptivity Factor (2.), below, then that division may receive a confidence level rating of ONLY 1%. Also see (W), below.

(W) If a business has ANY Market Resource, per (c) above, rated at:	Then the respective business may receive a MAXIMUM Confidence Level of:
1%	79%
2 to 9%	80%
10 to 24%	85%
25 to 49%	90%
50 to 99%	95%

Market Receptivity Factor (2.) Match to Market Needs (purchasers'/decision makers' receptivity to the product/service), (importance weight: .6930)

Respective Rating Guidelines for Market Receptivity Factor (2.):

NOTE: This Market Receptivity Factor must be rated according to whether or not the market is a Non-Displacement Market, or a Displacement Market, each of which is defined below.

Match to Market Needs For Non-Displacement Markets

Non-Displacement Markets Defined:

In a Non-Displacement Market, one of the following is true.

1) A competitor will NOT need to displace another competitor's product/service to make a sale.

Or...

2) In spite of needing to displace another competitor's product service to make a sale, the displacing competitor's product/service will NOT require customers to incur start-up expenses or interruption costs, that are not also required by the in-place competitor's product/service. This is not likely to be the case with a product/service of any complexity.

A rating must be provided, according to the guide below, for purchasers'/decision makers' receptivity the offered product/service: attributes of the deliverable, experience record, implementation impact, availability, follow-through, support, other services.

Pricing and market share SHOULD NOT be considered when rating receptivity.

Guide for rating both businesses in a Non-Displacement Market	Receptivity Rating/Range
A. For LESS THAN SATISFACTORY receptivity to the product/service	1
B. For SATISFACTORY TO BETTER THAN SATISFACTORY receptivity to the product/service	75-85, see (X), below
C. For GOOD TO EXCEPTIONAL receptivity to the product/service	86 – 100, see (X), below

(X) If a business has been rated at a Confidence Level of:	Then REDUCE the product/service rating you were planning to give to the respective business by:
90 to 94%	6%
85 to 89%	10%
80 to 84%	17%
70 to 79%	29%
60 to 69%	50%
50 to 59%	87%
1 to 49%	99%

Match to Market Needs For Displacement Markets

Displacement Markets Defined:

In a Displacement Market, BOTH of the following are true.

1) A competitor will need to displace another competitor's product/service to make a sale.

AND AS IMPORTANTLY...

2) The displacing competitor's product/service will require customers to incur start-up expenses or interruption costs, that are not required by the in-place competitor's product/service.

Displacement Markets must be evaluated separately from non-displacements markets. Also, if only a portion of the purchasers/decision makers is in a Displacement Market, that portion must be evaluated as a separate Displacement/Market

A rating must be provided, according to the guide below, for purchasers'/decision makers' receptivity to the offered product/service: attributes of the deliverable, experience record, implementation impact, availability, follow-through, support, other services.

Pricing and market share SHOULD NOT be considered when rating receptivity.

Guide for rating both businesses in a Displacement Market	Receptivity Rating/Range
A. For LESS THAN SATISFACTORY receptivity to the product/service	In-Place Division 3 Displacing Division 1
B. For SATISFACTORY TO BETTER THAN SATISFACTORY receptivity to the product/service	In-Place Division 75 - 85 Displacing Division See (Y), below
C. For GOOD TO EXCEPTIONAL receptivity to the product/service	In-Place Division 86 - 100 Displacing Division See (Y), below

(Y) If the Displacing Business' Confidence Level is:	Then the MAXIMUM rating the Displacing Business may receive for an EXCEPTIONAL (see (Z), below) Product/Service is:
79% or less AND the In-Place Division's is 90 to 100%	1
79% or less AND the In-Place Division's is 85 to 89%	10
79% or less AND the In-Place Division's is 80 to 84%	20
79% or less AND the In-Place Division's is 79% or less	35
80 to 84% AND the In-Place Division's is 90 to 100%	10
80 to 84% AND the In-Place Division's is 85 to 89%	20
80 to 84% AND the In-Place Division's is 80 to 84%	35
80 to 84% AND the In-Place Division's is 79% or less	50
85 to 89% AND the In-Place Division's is 90 to 100	20
85 to 89% AND the In-Place Division's is 85 to 89%	35
85 to 89% AND the In-Place Division's is 80 to 84%	50
85 to 89% AND the In-Place Division's is 79% or less	70
90 to 100% AND the In-Place Division's is 90 to 100%	35
90 to 100% AND the In-Place Division's is 85 to 89%	50
90 to 100% AND the In-Place Division's is 80 to 84%	70
90 to 100% AND the In-Place Division's is 79% or less	95

(Z) A lower rating must be given if the product/service is less than EXCEPTIONAL. (For example, a product/service that would qualify for a rating of 50, if EXCEPTIONAL, would receive a rating of 45, if it were 90% of EXCEPTIONAL.)

Market Receptivity Factor (3.) Name Recognition, (importance weight: .0100)

Respective Rating Guidelines for Market Receptivity Factor (3.):

A rating, ranging from 1 to 100%, must be provided for purchasers'/decision makers' name recognition (awareness) of the offered product/service.

If a business' product/service has been rated at LESS THAN SATISFACTORY for Match to Market Needs, Market Receptivity Factor (2.), above, then that division may receive a rating here of ONLY 1%. Also see (Z).

(Z) If a business has been rated at a Confidence Level of:	Then REDUCE the name recognition (awareness) rating you were planning to give to the respective business by:
90 to 94%	6%
85 to 89%	10%
80 to 84%	17%
70 to 79%	29%
60 to 69%	50%
50 to 59%	87%
1 to 49%	99%

(f) calculating market receptivity, for both the forecasting business and its leading competitor, such receptivity ranging from 1 to 100, based on the ratings that will have been input for the 3 market receptivity factors in (e) above, and also based on importance weights, provided by this method, for the 3 market receptivity factors in (e) above

(g) inputting estimates, as follows in (1) through (4) immediately below, of the number of other competitors (competitors in addition to the forecasting business and its leading competitor) that are trying to capture a share of the business (non-consumer) market for the forecast period:

(1) inputting the number of other competitors that are trying to capture a share of the business (non-consumer) market for the forecast period, that are 91 to 100% (95.5% as averaged by this method) as strong as the forecasting business' leading competitor, whose competitive strength is determined as per (d) above

(2) inputting the number of other competitors that are trying to capture a share of the business (non-consumer) market for the forecast period, that are 81 to 90% (85.5% as averaged by this method) as strong as the forecasting business' leading competitor, whose competitive strength is determined as per (d) above

(3) inputting the number of all other competitors that are trying to capture a share of the business (non-consumer) market for the forecast period

(3) 1. inputting the average competitive strength of all other competitors, input per (3), immediately above, that are trying to capture a share of the business (non-consumer) market for the forecast period, with their average competitive strength ranging from 1 to 80% of the competitive strength of the forecasting business' leading competitor, whose competitive strength is determined as per (d) above

(h) calculating the total competitive strength of other competitors (competitors in addition to the forecasting business and its leading competitor) that are trying to capture a share of the business (non-consumer) market for the forecast period, where such calculation equals the total of: the number of other competitors in each of the 3 competitive strength categories referred to in (g) immediately above, multiplied by the respective competitive strength percentage for each of the 3 competitive strength categories, also referred to in (g) immediately above

(i) calculating the competitive strength of all competitors combined (the forecasting business, its leading competitor, and other competitors that are trying to capture a share of the business (non-consumer) market for the forecast period), such calculation equaling the total of (d) above plus (h) above

(j) generating forecasted market share in terms of:

(1) the percent of the total units of currency (market size, for example, U.S. dollars) that is estimated to be captured by the forecasting business in the business (non-consumer) market, based on dividing the competitive strength of the forecasting business, per (d) above, by the competitive strength of all competitors combined, per (i) immediately above

(2) the portion of market size, in units of currency, (for example, U.S. dollars) that is estimated to be captured by the forecasting business in the business (non-consumer) market, based on multiplying (b) above, by (1) immediately above

(3) a product/service pricing ratio, versus its leading competitor, that will be necessary for the forecasting business to use in order to attain its forecasted market share in the business (non-consumer) market, based on dividing market receptivity for the forecasting business, per (f) above, by market receptivity for its leading competitor, also per (f) above

(4) the percent of the total units of currency (market size, for example, U.S. dollars) that is estimated to be captured by the forecasting business' leading competitor in the business (non-consumer) market, based on dividing the competitive strength of the forecasting business' leading competitor, per (d) above, by the competitive strength of all competitors combined, per (i) above

(5) the percent of the total units of currency (market size, for example, U.S. dollars) that is estimated to be captured by other competitors in the business (non-consumer) market, based on dividing the competitive strength of other competitors, per (h) above, by the competitive strength of all competitors combined, per (i) above

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Abstract

A computer-implemented forecasting method by which a business, selling a product/service to a business (non-consumer) market, can, for its forecast period, input market size and competitive data, to: (1) forecast its market share, as a percent of the total units of currency (for example, U.S. dollars) to be captured in the market, (2) forecast its market share, in units of currency (for example, U.S. dollars), (3) forecast a product/service pricing ratio, versus its leading competitor, that will be necessary for the forecasting business to use in order to attain its forecasted market share, (4) forecast its leading competitor's market share, as a percent of the total units of currency (for example, U.S. dollars) to be captured in the market, and, (5) forecast the combined market share of all of its other competitors, as a percent of the total units of currency (for example, U.S. dollars) to be captured in the market.